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SUBJECT: VAKHDAT: IN THE SHADOW OF THE CAPITAL

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¶1. Summary: During a July 20 visit to Vakhdat city, just twenty kilometers outside Dushanbe, the mayor and first deputy chairman underscored their district's need for macro-level economic assistance, while representatives of the Islamic Renaissance Party of Tajikistan (IRPT) revealed a greater concern with improving the everyday lives of the city's residents on a micro level. The director of the "Pakhta" cotton processing factory surprised PolOff by explaining that the relationship between cotton producers and purchasers in Vakhdat differs from that in other parts of Tajikistan, allowing cotton farmers in the Vakhdat District to operate nearly debt-free. End Summary.

¶2. Located on a plain east of the capital leading to the opposition strongholds of Garm and Romit, Vakhdat was the scene of intense fighting during Tajikistan's 1992-1997 civil war, leaving its economy and infrastructure in shambles. The effort to rebuild is still ongoing, and PolOff heard a number of proposals for assistance and investment opportunities from Mayor Anvar Kodirov and First Deputy Chairman Qiyomiddin Abdullaev. According to these officials, the areas most in need of financing are mini hydro-electric station construction, school and hospital restoration, and the development of tourism. With regard to hydro-electric power, Kodirov emphasized that even with completion of the 600 megawatt and 220 megawatt Sangtuda I and II power stations currently under construction, the region's electricity problems will not be solved and mini-hydro stations would be better suited to serve smaller communities. Turning to politics, Abdullaev asserted that there are four political parties active in Vakhdat in addition to the ruling People's Democratic Party of Tajikistan, and that all are welcome to participate in the political process -- a claim strongly refuted during PolOff's meeting with local Islamic Renaissance Party representatives.

¶3. Islamic Renaissance Party Acting District Chairman Mirzo Omar warmly welcomed PolOff to his party's Vakhdat headquarters, consisting of a converted residential apartment unit. Omar apologized for the cramped surroundings, but explained that efforts to secure government permission to move into more permanent offices had failed. Omar said that in general, the Vakhdat government's policy towards the Islamic Renaissance Party was simply to ignore the party to the extent possible. For example, Omar said that his party's activities received no attention in the press, and that even the postal service hindered efforts to promote the Islamic Renaissance Party's

platform through the party's own newspaper and journal by refusing to deliver the publications. With regard to Vakhdat's economy, Omar was less concerned with large infrastructure projects, and more concerned with the effects of inflation on the local population -- especially the rising prices of coal and gas. Omar also noted that Dushanbe's bustling economy had been of no benefit in Vakhdat and may in fact be contributing to inflation.

¶4. Imomali Azimov, director of the Pakhta cotton processing factory, noted that Pakhta is the only such cotton facility in Vakhdat, employing 270 workers and with a capacity to process up to 45,000 tons per year. However, Pakhta could not secure sufficient raw cotton last year, and as a result processed only 11,000 tons during 3 months of operations in 2006. According to Azimov, this situation has led Pakhta to offer favorable financing to Vakhdat cotton producers: Pakhta provided farmers with 0% interest cash loans during planting season to purchase seed, fuel and fertilizer, rather than the high-interest in-kind loans found elsewhere in Tajikistan. However, local embassy staff offered an alternate explanation for the factory's favorable treatment of farmers: former United Tajik Opposition leader Akbar Turajonzoda has close ties to the region, and owns both Pakhta and a majority of Vakhdat's cotton producing land. Therefore, out of a sense of allegiance to -- or a fear of backlash from -- his community, Turajonzoda is less inclined to "squeeze" local producers. In any event, Azimov claimed that Pakhta's policy reduced the total debt of cotton farmers in Vakhdat from \$260,000 to \$116,000 and increased his company's processing to an estimated 14,500 tons of cotton over four and one-half months in 2007.

¶5. Comment: Vakhdat serves as a reminder both of the lasting effects of Tajikistan's civil war, and of the fact that the strong economic growth seen in the capital in recent years has been highly concentrated -- not even reaching to the capital's closest neighbors. While large-scale development plans of the type proposed by the mayor and first deputy chairman are clearly

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necessary to Vakhdat's long-term prosperity, one is left with the impression that local government could do more to address the immediate needs of the population. However, the local government's willingness and ability to do more for the people of Vakhdat is likely to remain limited as long as it is shielded from political competition and opposition viewpoints in the media and other public fora. End Comment.  
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